1986
Financial
Ratio
Study

Web Offset Printers
Non-Heatset

Volume VII

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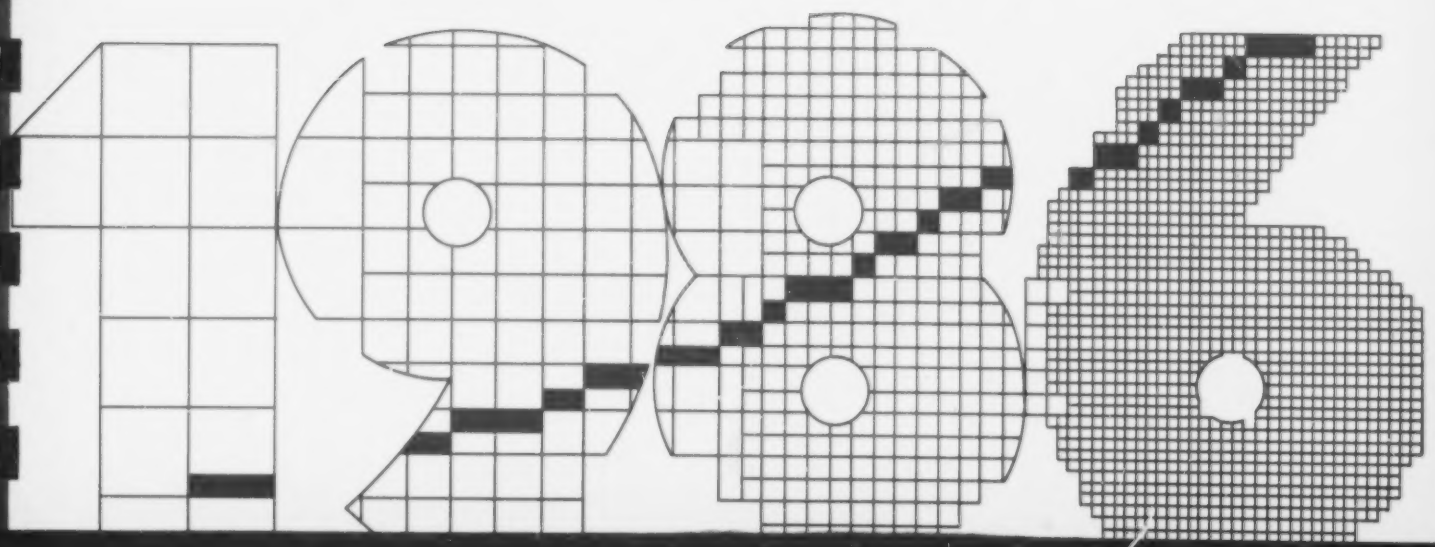

63RD annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Road, Arnold, Maryland 21012.

1986 FINANCIAL RATIOS

NON-HEATSET WEB OFFSET

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Member Programs Group
PRINTING INDUSTRIES OF AMERICA, INC.

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H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 979 graphic arts firms of various types took part in the 1986 study. This particular volume is the result of financial information contributed by 69 Heatset Web Offset Printers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $1.5 to $5 million, sales from $5 to $10 million, etc.; by product specialty - for example, Commercial and Advertising and Magazine and Periodical; and by percentage of paper supplied - for example, 0% to 11%, 11% to 21%, etc. Readers can compare their firm's operations with other firms having the same sales volume, product specialty or percentage of paper supplied in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H R Margolis Company

H. R. MARGOLIS COMPANY

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1986 is the 63rd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

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Congratulations on partaking of the web offset ratio study program. I'm sure that as you review the wealth of information contained in the book that you will find it to be a very rewarding exercise.

Nine years ago PIA formed a special section for non-heatset web offset printers. The activities of the Non-Heatset Web Unit have increased significantly.

Our publication *SNAP* (Specifications for Non-Heat Advertising printing), published in October, 1984, includes pigmentation standards for process inks, recommended ink film densities, screen rulings, stock brightness, opacity and hue standards, type, reverses and proofing standards. It is printed on three types of stock. These are being up-dated in 1986. In addition, we publish the *Non-Heatset Web Offset Directory*, which lists non-heatset web offset printers in the United States and Canada. In conjunction with the Web Offset Section, we publish the *Market Outlook For Web Offset Printers, A Waste and Spoilage Report* and a *Product Catalog*, which include both non-heatset and heatset printers.

Our Graphic Arts Awards Competition for non-heatset printers is held in conjunction with the Annual Meeting. This year's Annual Meeting will be held November 9 & 12, 1986, Arizona Biltmore, Phoenix, Arizona.

Edward W. Hill, Jr.
Executive Director
Non-Heatset Unit

VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	39.99	35.01	47.45
FACTORY EXPENSES	24.65	18.50	33.29
TOTAL FACTORY COST OF PRODUCT	64.64	53.51	80.74
GROSS PROFIT	35.36	46.49	19.26
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	15.32	12.59	13.88
Selling expenses	11.97	12.79	12.57
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.29	25.38	26.45
INCOME (LOSS) BEFORE INTEREST EXPENSE	8.07	21.11	(7.19)
Interest expense	3.68	3.15	3.76
OPERATING INCOME (LOSS)	4.39	17.96	(10.95)
Other income	1.23	2.22	1.19
INCOME (LOSS) BEFORE INCOME TAXES	5.62	20.18	(9.76)

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
36.45	39.05	35.45	42.97	39.21
26.72	21.04	17.05	23.94	21.14
63.17	60.09	52.50	66.91	60.35
36.83	39.91	47.50	33.09	39.65
18.72	16.10	12.73	10.49	11.12
11.12	11.87	14.34	11.73	13.62
29.84	27.97	27.07	22.22	24.74
6.99	11.94	20.43	10.87	14.91
3.57	3.85	2.35	3.57	3.39
3.42	8.09	18.08	7.30	11.52
0.74	1.09	0.93	1.53	2.56
4.16	9.18	19.01	8.83	14.08

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	4.10%	3.43%	7.40%
Direct wages	25.24	21.88	33.74
General factory salaries and wages	3.26	2.60	1.27
Packing, shipping and delivery wages	1.44	0.88	0.45
Payroll taxes	2.60	2.33	3.57
Employee benefits	3.35	3.89	1.02
TOTAL FACTORY PAYROLL	39.99	35.01	47.45
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.58	0.36	0.68
Depreciation - other	5.07	4.72	6.45
Taxes - real estate	0.56	0.52	1.13
Taxes - other	0.37	0.58	0.18
Insurance	0.73	0.44	1.57
Building rent	2.50	1.06	5.00
Utilities - heat, light, etc.	2.09	2.31	2.85
Equipment rental	2.17	0.28	5.65
Total Fixed Expenses	14.07	10.27	23.51
Other Expenses			
Factory supplies and expense	3.07	3.23	2.50
Packing, shipping and delivery expense	3.47	1.32	0.75
Repairs and maintenance	2.79	2.46	4.64
Other factory expenses	1.25	1.22	1.89
Total Other Expenses	10.58	8.23	9.78
TOTAL FACTORY EXPENSES	24.65	18.50	33.29
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.27	3.47	3.16
Salaries - office	3.94	2.77	5.35
Payroll taxes	0.51	0.40	0.34
Employee benefits	0.72	0.92	0.46
Bad debts	0.66	0.19	0.80
Office supplies and expenses	0.76	0.55	0.48
Professional fees	0.69	0.68	0.90
Taxes - business	0.26	0.13	0.32
Telephone	0.76	0.86	0.79
Other administrative expenses	2.75	2.62	1.28
TOTAL ADMINISTRATIVE EXPENSES	15.32	12.59	13.88
SELLING EXPENSES			
Salaries - executive	1.86	1.37	1.54
Salaries and commissions - salesmen	5.45	7.05	5.36
Salaries - sales office clerical	0.83	1.28	1.05
Payroll taxes	0.44	0.40	0.44
Employee benefits	0.51	0.66	0.29
Advertising	0.48	0.52	0.44
Travel and entertainment	1.08	0.74	0.60
Other selling expenses	1.32	0.77	2.85
TOTAL SELLING EXPENSES	11.97	12.79	12.57

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.85%	3.12%	3.36%	5.26%	2.72%
19.88	26.23	22.89	24.39	24.50
5.05	2.25	2.39	5.24	3.13
2.13	1.42	0.66	1.30	1.30
2.54	2.40	2.40	3.17	1.72
3.00	3.63	3.75	3.61	5.84
36.45	39.05	35.45	42.97	39.21
0.90	0.44	0.31	0.45	0.28
5.15	4.79	4.41	5.07	4.12
0.46	0.51	0.67	0.24	0.47
0.50	0.29	0.35	0.67	0.28
0.57	0.66	0.35	0.86	0.19
3.61	1.75	1.10	0.78	0.68
1.82	2.02	2.28	2.45	1.67
2.52	1.62	0.00	0.68	0.09
15.53	12.08	9.47	11.20	7.78
2.26	2.21	1.99	5.90	5.88
5.14	3.52	1.86	3.41	2.95
2.42	2.49	2.32	2.75	2.32
1.37	0.74	1.41	0.68	2.21
11.19	8.96	7.58	12.74	13.36
26.72	21.04	17.05	23.94	21.14
6.64	3.94	3.47	3.17	2.18
3.91	4.72	2.83	1.86	1.68
0.81	0.51	0.37	0.34	0.22
0.87	0.70	0.73	0.62	0.81
1.07	0.57	0.18	0.15	0.27
1.28	0.71	0.59	0.47	0.34
0.79	0.65	0.69	0.76	0.31
0.31	0.19	0.08	0.44	0.14
1.09	0.69	1.03	0.66	0.33
1.95	3.42	2.76	2.02	4.84
18.72	16.10	12.73	10.49	11.12
2.76	1.32	1.26	1.77	1.93
4.04	6.50	8.31	5.09	5.89
0.37	0.68	1.31	1.49	1.48
0.33	0.50	0.46	0.43	0.54
0.41	0.48	0.68	0.55	1.02
0.67	0.51	0.64	0.25	0.18
1.72	0.85	0.78	1.31	0.74
0.82	1.03	0.90	0.84	1.84
11.12	11.87	14.34	11.73	13.62

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	35.02	34.86	32.12
Other chargeable materials	4.39	2.18	4.34
Outside services	4.93	4.92	5.94
TOTAL MATERIALS	44.34	41.96	42.40
FACTORY PAYROLL	22.10	20.19	26.93
FACTORY EXPENSES	13.43	10.94	17.71
TOTAL FACTORY COST OF PRODUCT	79.87	73.09	87.04
GROSS PROFIT	20.13	26.91	12.96
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.70	7.29	8.43
Selling expenses	7.01	8.01	7.71
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.71	15.30	16.14
INCOME (LOSS) BEFORE INTEREST EXPENSE	4.42	11.61	(3.18)
Interest expense	1.97	1.53	2.11
OPERATING INCOME (LOSS)	2.45	10.08	(5.29)
Other income	0.68	1.17	0.62
INCOME (LOSS) BEFORE INCOME TAXES	3.13	11.25	(4.67)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.64%	0.95%	1.06%
Film	0.68	0.30	0.72
Plates	0.80	0.49	0.64
Other chargeable materials	1.27	0.44	1.92
TOTAL OTHER CHARGEABLE MATERIALS	4.39	2.18	4.34
OUTSIDE SERVICES			
Composition	0.22	0.16	0.36
Offset preparation	0.27	0.10	0.03
Printing	2.73	3.15	3.58
Binding	0.64	0.34	0.63
Other outside services	1.07	1.17	1.34
TOTAL OUTSIDE SERVICES	4.93	4.92	5.94

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
36.11	34.34	36.54	28.37	43.43
4.71	4.01	2.46	4.80	4.58
2.63	5.48	4.99	7.17	5.33
43.45	43.83	43.99	40.34	53.34
20.50	21.46	19.21	25.13	19.36
14.83	11.62	9.62	14.12	10.08
78.78	76.91	72.82	79.59	82.78
21.22	23.09	27.18	20.41	17.22
10.52	9.23	7.16	6.42	5.23
6.62	7.26	8.48	7.33	6.01
17.14	16.49	15.64	13.75	11.24
4.08	6.60	11.54	6.66	5.98
2.06	2.09	1.30	1.77	1.43
2.02	4.51	10.24	4.89	4.55
0.49	0.59	0.48	0.98	1.21
2.51	5.10	10.72	5.87	5.76
1.79%	1.36%	0.62%	3.16%	1.62%
0.95	0.79	0.52	0.49	0.13
0.82	1.04	0.50	0.86	0.33
1.15	0.82	0.82	0.29	2.50
4.71	4.01	2.46	4.80	4.58
0.02	0.26	0.20	0.48	0.00
0.37	0.12	0.13	0.83	0.21
1.87	3.56	4.02	1.15	3.62
0.03	0.97	0.43	0.75	1.50
0.34	0.57	0.21	3.96	0.00
2.63	5.48	4.99	7.17	5.33

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.29%	2.18%	4.16%
Direct wages	13.93	12.50	19.30
General factory salaries and wages	1.80	1.56	0.74
Packing, shipping and delivery wages	0.83	0.52	0.30
Payroll taxes	1.41	1.31	1.87
Employee benefits	1.84	2.12	0.56
TOTAL FACTORY PAYROLL	22.10	20.19	26.93
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.31	0.19	0.34
Depreciation - other	2.79	2.75	3.79
Taxes - real estate	0.29	0.28	0.54
Taxes - other	0.21	0.32	0.11
Insurance	0.42	0.28	0.90
Building rent	1.37	0.72	2.69
Utilities - heat, light, etc.	1.13	1.29	1.47
Equipment rental	1.14	0.20	2.67
Total Fixed Expenses	7.66	6.03	12.51
Other Expenses			
Factory supplies and expense	1.68	1.92	1.27
Packing, shipping and delivery expense	1.90	0.79	0.47
Repairs and maintenance	1.52	1.53	2.40
Other factory expenses	0.67	0.67	1.06
Total Other Expenses	5.77	4.91	5.20
TOTAL FACTORY EXPENSES	13.43	10.94	17.71
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.37	1.95	1.92
Salaries - office	2.31	1.61	3.36
Payroll taxes	0.29	0.22	0.21
Employee benefits	0.40	0.51	0.29
Bad debts	0.36	0.11	0.42
Office supplies and expenses	0.43	0.32	0.29
Professional fees	0.39	0.40	0.52
Taxes - business	0.14	0.09	0.16
Telephone	0.43	0.47	0.47
Other administrative expenses	1.58	1.61	0.79
TOTAL ADMINISTRATIVE EXPENSES	8.70	7.29	8.43
SELLING EXPENSES			
Salaries - executive	1.04	0.91	0.88
Salaries and commissions - salesmen	3.26	4.46	3.28
Salaries - sales office clerical	0.47	0.78	0.63
Payroll taxes	0.25	0.22	0.26
Employee benefits	0.29	0.39	0.18
Advertising	0.29	0.30	0.27
Travel and entertainment	0.62	0.48	0.34
Other selling expenses	0.79	0.47	1.87
TOTAL SELLING EXPENSES	7.01	8.01	7.71

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.20%	1.67%	1.84%	3.17%	1.39%
11.10	14.43	12.44	14.13	12.12
2.84	1.25	1.34	3.11	1.42
1.26	0.82	0.36	0.75	0.56
1.40	1.33	1.28	1.79	0.83
1.70	1.96	1.95	2.18	3.04
20.50	21.46	19.21	25.13	19.36
0.49	0.24	0.15	0.24	0.12
2.88	2.61	2.46	3.05	1.86
0.25	0.28	0.38	0.14	0.20
0.29	0.16	0.19	0.41	0.11
0.33	0.38	0.20	0.52	0.08
1.91	1.00	0.70	0.58	0.30
1.01	1.12	1.21	1.47	0.77
1.24	0.99	0.00	0.48	0.04
8.40	6.78	5.29	6.89	3.48
1.33	1.18	1.12	3.45	3.06
3.02	1.88	1.09	1.67	1.34
1.35	1.36	1.29	1.78	1.07
0.73	0.42	0.83	0.33	1.13
6.43	4.84	4.33	7.23	6.60
14.83	11.62	9.62	14.12	10.08
3.64	2.23	1.94	1.78	0.94
2.24	2.78	1.61	1.17	0.73
0.46	0.28	0.20	0.21	0.09
0.47	0.39	0.39	0.42	0.36
0.61	0.29	0.09	0.11	0.12
0.74	0.39	0.33	0.30	0.15
0.47	0.36	0.37	0.47	0.13
0.17	0.10	0.04	0.29	0.06
0.62	0.38	0.53	0.40	0.15
1.10	2.03	1.66	1.27	2.50
10.52	9.23	7.16	6.42	5.23
1.57	0.75	0.74	1.12	0.84
2.49	4.02	4.99	3.38	2.55
0.23	0.38	0.74	0.90	0.73
0.18	0.29	0.25	0.25	0.24
0.26	0.28	0.37	0.36	0.48
0.43	0.31	0.37	0.15	0.07
1.00	0.53	0.47	0.73	0.31
0.46	0.70	0.55	0.44	0.79
6.62	7.26	8.48	7.33	6.01

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
ASSETS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
CURRENT ASSETS			
Cash	6.33%	16.97%	2.11%
Receivables	27.52	24.32	20.79
Inventories	17.81	10.73	29.23
Other current assets	2.68	4.63	0.39
TOTAL CURRENT ASSETS	54.34	56.65	52.52
FIXED ASSETS			
Real estate	12.92	14.67	9.66
Less: Accumulated depreciation	3.06	4.51	0.58
	9.86	10.16	9.08
Machinery and equipment	57.82	51.16	55.96
Less: Accumulated depreciation	29.45	25.23	27.81
	28.37	25.93	28.15
Other fixed assets	5.12	4.30	4.20
Less: Accumulated depreciation	2.47	3.31	0.59
	2.65	0.99	3.61
NET FIXED ASSETS	40.88	37.08	40.84
OTHER ASSETS	4.78	6.27	6.64
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.84	5.22	9.42
Accounts payable	12.90	7.77	18.89
Other current liabilities	8.55	7.87	4.18
TOTAL CURRENT LIABILITIES	30.29	20.86	32.49
LONG-TERM LIABILITIES	32.94	21.59	28.21
TOTAL LIABILITIES	63.23	42.45	60.70
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.77	57.55	39.30
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.79	2.72	1.62
QUICK RATIO	1.21	2.20	0.72
TOTAL LIABILITIES TO EQUITY	1.72	0.74	1.54
LONG-TERM LIABILITIES TO EQUITY	0.90	0.38	0.72
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.49	0.50

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
7.54%	6.07%	17.21%	9.33%	7.08%
30.73	29.19	29.37	24.73	25.87
15.09	16.08	13.84	8.52	22.67
2.98	2.61	1.17	7.99	0.66
56.34	53.95	61.59	50.57	56.28
11.82	15.61	17.25	13.15	10.97
4.92	3.14	4.62	3.42	1.43
6.90	12.47	12.63	9.73	9.54
69.10	52.60	50.05	62.59	47.10
37.73	27.00	28.48	26.04	23.31
31.37	25.60	21.57	36.55	23.79
5.84	5.55	5.60	4.66	3.69
3.24	2.93	4.55	2.53	1.53
2.60	2.62	1.05	2.13	2.16
40.87	40.69	35.25	48.41	35.49
2.79	5.36	3.16	1.02	8.23
100.00	100.00	100.00	100.00	100.00
9.78	8.94	6.36	7.60	6.73
13.31	11.62	10.79	12.08	9.34
5.84	11.05	7.99	7.56	13.08
28.93	31.61	25.14	27.24	29.15
35.06	36.39	19.32	34.72	22.16
63.99	68.00	44.46	61.96	51.31
36.01	32.00	55.54	38.04	48.69
100.00	100.00	100.00	100.00	100.00
1.95	1.71	2.45	1.86	1.93
1.43	1.20	1.90	1.54	1.15
1.78	2.13	0.80	1.63	1.05
0.97	1.14	0.35	0.91	0.46
0.55	0.51	0.57	0.42	0.49

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 45,204	$ 77,680	$ 32,374
Average assets per factory employee (Excluding Executives)	66,175	110,955	55,019
Average net worth per employee - All employees	16,443	42,620	9,620
Average gross plant investment per factory employee (Excluding Executives)	48,021	74,235	44,581
Net worth percentage of fixed assets	134.07%	197.36%	293.52%
EMPLOYEES			
Percent factory - All employees	75.35%	74.07%	74.41%
Percent administrative - All employees	13.52	11.92	15.38
Percent sales - All employees	11.13	14.01	10.21
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 83,233	$ 109,889	$ 55,994
Sales per factory employee	112,753	147,985	76,210
Sales less material per factory employee	60,984	81,195	43,625
Sales per administrative employee	854,503	919,733	296,032
EXCLUDING EXECUTIVES			
Sales per employee - All employees	93,619	119,916	69,469
Sales per factory employee	121,706	156,370	88,165
Sales less material per factory employee	65,811	86,319	50,426
SALES PER SALESMAN	945,765	1,319,859	184,200
SALES TO CURRENT ASSETS	409%	318%	419%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	32.77%	31.23%	37.95%
Factory payroll percentage of gross plant investment	61.70	46.39	51.33
Payroll per employee - All employees	$ 25,597	$ 31,202	$ 20,397
Payroll per factory employee	22,833	27,164	19,876
Payroll per administrative employee	31,846	37,626	16,386
Payroll per sales employee	35,292	49,177	18,165
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,588	$ 23,377	$ 17,342
Payroll per factory employee	18,381	21,131	17,107
Payroll per administrative employee	17,491	18,866	10,544
Payroll per sales employee	27,376	40,579	14,327
EXECUTIVE PAYROLL			
Payroll per executive - All executives	49,278	58,362	19,785
Payroll per factory executive	40,855	52,448	20,016
Payroll per administrative executive	63,490	76,207	18,526
Payroll per sales executive	45,670	75,675	10,533
RECEIVABLES			
Collection period	56.9	61.6	48.1
PROFIT			
Gross profit percentage of sales	20.13%	26.91%	12.96%
Average gross profit per factory employee	$ 25,787	$ 41,218	$ 12,656
Income (loss) before taxes percentage of sales	3.13%	11.25%	(4.67)%
Average income (loss) before taxes per employee	$ 3,483	$ 12,591	$ (2,584)

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 34,593	$ 48,104	$ 57,755	$ 48,622	$ 72,513
50,468	69,714	88,484	67,014	102,832
10,813	15,608	31,505	22,299	34,835
40,218	48,103	58,796	50,994	66,693
68.45%	103.89%	206.27%	106.21%	199.92%
72.80%	75.28%	71.80%	81.67%	77.22%
16.93	13.75	11.33	8.43	7.16
10.27	10.97	16.87	9.90	15.62
$ 75,462	$ 85,501	$ 96,981	$ 86,873	$ 123,298
103,297	116,740	135,711	107,377	169,746
58,038	64,483	76,543	64,350	75,106
451,891	69[illegible]181	886,249	1,098,708	2,705,021
87,422	92,538	107,161	97,211	136,604
110,332	123,156	144,987	119,268	184,578
61,997	67,919	81,671	71,666	81,654
921,438	960,419	1,426,403	1,657,448	505,931
433%	384%	304%	453%	387%
32.05%	32.86%	30.45%	34.71%	26.32%
65.36	63.68	50.06	58.50	62.75
$ 23,494	$ 26,753	$ 29,251	$ 29,986	$ 29,488
21,190	23,059	25,544	26,949	26,028
29,740	33,085	35,157	37,980	46,402
30,303	39,394	42,396	54,597	39,070
$ 17,205	$ 20,630	$ 22,665	$ 22,799	$ 21,832
16,929	18,535	20,182	21,590	20,074
15,472	19,033	19,295	14,982	27,650
21,560	32,343	36,643	40,395	30,512
47,576	62,469	49,182	48,503	49,464
32,806	57,535	49,872	33,160	39,687
54,944	76,909	57,769	106,090	61,913
26,647	53,599	54,254	111,372	53,332
55.1	66.4	67.8	[illegible].7	50.9
21.22%	23.09%	27.18%	20.41%	17.22%
$ 22,863	$ 29,791	$ 40,392	$ 24,770	$ 36,779
2.51%	5.10%	10.72%	5.87%	5.76%
$ 1,910	$ 4,871	$ 10,548	$ 4,968	$ 8,870

CHAPTER 1 - BY SIZE OF FIRM

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.68	$12.80	$ 1.36
Receivables	15.14	16.28	12.85
Inventories	8.40	7.14	11.77
Marketable securities	0.72	3.07	0.00
Other current assets	0.89	1.29	0.28
	28.83	40.58	26.26
Plant Investment:			
Land and building	7.20	8.59	7.84
Machinery and equipment	30.68	34.90	36.75
Other fixed assets	2.54	2.83	2.10
	40.42	46.32	46.69
Non-Current Assets	2.75	4.74	3.23
TOTAL INVESTMENT	72.00	91.64	76.18
INVESTMENT TURNOVER PER $100 OF SALES	138.89%	109.12%	131.27%
EARNINGS			
Cost of Product	$79.87	$73.09	$ 87.04
Selling Expenses	7.01	8.01	7.71
Administrative Expenses	8.70	7.29	8.43
	95.58	88.39	103.18
Income (Loss) Before Interest, Other Income and Taxes	4.42	11.61	(3.18)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	6.14%	12.67%	(4.17)%

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION**	SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 3.13	$ 3.49	$11.15	$ 8.00	$ 4.78
14.66	17.49	17.89	12.78	13.75
6.89	8.05	8.65	4.29	12.01
0.45	0.52	0.38	4.23	0.00
0.87	0.91	0.38	2.57	0.30
26.00	30.46	38.45	31.87	30.84
4.85	8.98	8.62	7.35	6.14
29.83	29.08	28.47	33.62	27.70
2.57	3.06	3.48	2.15	1.72
37.25	41.12	40.57	43.12	35.56
1.25	3.45	2.02	0.44	5.27
64.50	75.03	81.04	75.43	71.67
155.04%	133.28%	123.40%	132.57%	139.53%
$78.78	$76.91	$72.82	$79.59	$82.78
6.62	7.26	8.48	7.33	6.01
10.52	9.23	7.16	6.42	5.23
95.92	93.40	88.46	93.34	94.02
4.08	6.60	11.54	6.66	5.98
6.33%	8.80%	14.24%	8.83%	8.34%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	36.56	30.84	42.54
FACTORY EXPENSES	25.65	19.01	26.10
TOTAL FACTORY COST OF PRODUCT	62.21	49.85	68.64
GROSS PROFIT	37.79	50.15	31.36
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.41	12.59	16.94
Selling expenses	11.40	11.92	8.02
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.81	24.51	24.96
INCOME BEFORE INTEREST EXPENSE	11.98	25.64	6.40
Interest expense	5.21	4.60	3.72
OPERATING INCOME	6.77	21.04	2.68
Other income (expense)	0.89	1.58	1.07
INCOME BEFORE INCOME TAXES	7.66	22.62	3.75

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
40.18	44.66	42.95	34.01
19.96	16.53	24.83	18.74
60.14	61.19	67.78	52.75
39.86	38.81	32.22	47.25
17.84	14.29	14.07	14.00
9.36	7.21	14.95	17.62
27.20	21.50	29.02	31.62
12.66	17.31	3.20	15.63
4.96	2.54	2.44	1.69
7.70	14.77	0.76	13.94
1.65	(1.26)	2.01	3.62
9.35	13.51	2.77	17.56

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.64%	2.96%	4.08%
Direct wages	25.00	19.74	27.63
General factory salaries and wages	2.87	2.00	0.53
Packing, shipping and delivery wages	0.83	0.88	2.89
Payroll taxes	2.77	2.04	2.61
Employee benefits	2.45	3.22	4.80
TOTAL FACTORY PAYROLL	36.56	30.84	42.54
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.81	0.31	0.66
Depreciation - other	5.83	5.06	5.30
Taxes - real estate	0.30	0.29	1.24
Taxes - other	0.43	0.79	0.00
Insurance	1.00	0.62	0.70
Building rent	2.08	1.80	3.09
Utilities - heat, light, etc.	1.80	2.11	2.08
Equipment rental	1.37	0.55	3.83
Total Fixed Expenses	13.62	11.53	16.90
Other Expenses			
Factory supplies and expense	3.89	3.86	1.72
Packing, shipping and delivery expense	4.20	0.40	3.06
Repairs and maintenance	2.59	2.51	3.50
Other factory expenses	1.35	0.71	0.92
Total Other Expenses	12.03	7.48	9.20
TOTAL FACTORY EXPENSES	25.65	19.01	26.10
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.61	3.89	7.13
Salaries - office	4.00	3.24	3.34
Payroll taxes	0.60	0.41	0.52
Employee benefits	0.76	1.08	0.51
Bad debts	0.29	0.03	1.06
Office supplies and expenses	0.98	0.55	0.75
Professional fees	0.61	0.74	0.82
Taxes - business	0.25	0.16	0.27
Telephone	0.77	0.57	1.02
Other administrative expenses	2.54	1.92	1.52
TOTAL ADMINISTRATIVE EXPENSES	14.41	12.59	16.94
SELLING EXPENSES			
Salaries - executive	1.32	1.92	2.40
Salaries and commissions - salesmen	5.94	5.94	2.99
Salaries - sales office clerical	0.98	1.05	0.00
Payroll taxes	0.53	0.28	0.17
Employee benefits	0.36	0.62	0.40
Advertising	0.49	0.21	0.40
Travel and entertainment	1.11	1.27	1.36
Other selling expenses	0.67	0.63	0.30
TOTAL SELLING EXPENSES	11.40	11.92	8.02

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.43%	4.57%	5.88%	3.60%
27.84	28.92	24.21	19.81
5.17	2.61	5.05	3.05
2.54	2.23	1.19	1.12
1.79	3.28	2.40	2.08
0.41	3.05	4.22	4.35
40.18	44.66	42.95	34.01
0.21	0.25	0.48	0.37
5.05	3.85	4.81	4.21
0.00	0.44	0.68	0.70
0.78	0.97	0.35	0.14
0.03	0.32	0.61	0.28
3.19	0.96	2.84	0.49
2.15	2.30	2.47	2.17
0.23	0.23	2.43	0.00
11.64	9.32	14.67	8.36
1.54	2.98	3.14	2.93
2.76	1.75	2.55	2.25
2.12	1.37	3.11	2.68
1.90	1.11	1.36	2.52
8.32	7.21	10.16	10.38
19.96	16.53	24.83	18.74
2.88	3.57	3.72	3.33
3.61	2.41	3.69	2.60
0.31	0.54	0.39	0.37
0.54	0.39	0.75	0.87
0.93	2.04	0.55	0.22
0.40	0.43	0.64	0.60
0.85	1.93	0.52	0.34
1.03	0.15	0.20	0.01
0.35	0.67	0.70	1.31
6.94	2.16	2.91	4.27
17.84	14.29	14.07	14.00
2.00	1.52	2.40	0.73
3.84	3.25	6.12	11.28
1.06	0.62	1.14	1.66
0.25	0.32	0.52	0.61
0.20	0.25	0.80	0.88
0.44	0.12	0.52	1.12
0.95	0.52	1.00	0.12
0.62	0.61	2.45	1.22
9.36	7.21	14.95	17.62

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	32.68	30.26	42.15
Other chargeable materials	4.96	2.74	5.35
Outside services	6.24	4.57	1.38
TOTAL MATERIALS	43.88	37.57	48.88
FACTORY PAYROLL	20.43	19.89	21.54
FACTORY EXPENSES	14.34	12.03	13.25
TOTAL FACTORY COST OF PRODUCT	78.65	69.49	83.67
GROSS PROFIT	21.35	30.51	16.33
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.19	7.79	8.51
Selling expenses	6.66	8.15	4.58
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.85	15.94	13.09
INCOME BEFORE INTEREST EXPENSE	6.50	14.57	3.24
Interest expense	2.78	2.26	1.91
OPERATING INCOME	3.72	12.31	1.33
Other income (expense)	0.44	0.69	0.73
INCOME BEFORE INCOME TAXES	4.16	13.00	2.06

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	2.91%	1.98%	1.66%
Film	0.70	0.06	1.17
Plates	0.98	0.70	0.75
Other chargeable materials	0.37	0.00	1.77
TOTAL OTHER CHARGEABLE MATERIALS	4.96	2.74	5.35
OUTSIDE SERVICES			
Composition	0.27	0.00	0.10
Offset preparation	0.38	0.00	0.48
Printing	2.74	0.00	0.30
Binding	0.83	0.00	0.40
Other outside services	2.02	4.57	0.10
TOTAL OUTSIDE SERVICES	6.24	4.57	1.38

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
38.20	39.94	35.07	36.15
4.26	3.31	3.61	0.71
3.79	1.96	5.24	7.01
46.25	45.21	43.92	43.87
21.59	24.17	24.28	18.70
10.74	9.06	13.43	10.74
78.58	78.44	81.63	73.31
21.42	21.56	18.37	26.69
9.59	8.10	8.09	7.79
5.03	4.04	8.32	10.41
14.62	12.14	16.41	18.20
6.80	9.42	1.96	8.49
2.66	1.45	1.35	0.82
4.14	7.97	0.61	7.67
0.89	(0.85)	1.12	2.16
5.03	7.12	1.73	9.83
1.26%	0.74%	0.43%	0.16%
0.96	0.79	0.16	0.24
0.72	1.09	0.44	0.00
1.32	0.69	2.58	0.31
4.26	3.31	3.61	0.71
0.41	0.11	0.25	0.29
0.20	0.20	0.04	0.00
0.73	1.00	4.15	6.37
0.99	0.65	0.02	0.01
1.46	0.00	0.78	0.34
3.79	1.96	5.24	7.01

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.54%	2.29%	1.95%
Direct wages	13.95	12.50	13.82
General factory salaries and wages	1.59	1.33	0.32
Packing, shipping and delivery wages	0.45	0.56	1.69
Payroll taxes	1.56	1.29	1.22
Employee benefits	1.34	1.92	2.54
TOTAL FACTORY PAYROLL	20.43	19.89	21.54
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.42	0.18	0.32
Depreciation - other	3.38	3.11	2.65
Taxes - real estate	0.16	0.15	0.60
Taxes - other	0.23	0.45	0.00
Insurance	0.57	0.44	0.35
Building rent	1.20	1.24	1.50
Utilities - heat, light, etc.	1.02	1.31	1.01
Equipment rental	0.75	0.40	1.86
Total Fixed Expenses	7.73	7.28	8.29
Other Expenses			
Factory supplies and expense	2.13	2.39	0.83
Packing, shipping and delivery expense	2.27	0.27	1.98
Repairs and maintenance	1.49	1.77	1.73
Other factory expenses	0.72	0.32	0.42
Total Other Expenses	6.61	4.75	4.96
TOTAL FACTORY EXPENSES	14.34	12.03	13.25
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.02	2.28	3.49
Salaries - office	2.29	2.00	1.72
Payroll taxes	0.35	0.25	0.24
Employee benefits	0.43	0.63	0.24
Bad debts	0.15	0.04	0.57
Office supplies and expenses	0.56	0.35	0.41
Professional fees	0.36	0.50	0.42
Taxes - business	0.15	0.13	0.13
Telephone	0.46	0.37	0.52
Other administrative expenses	1.42	1.24	0.77
TOTAL ADMINISTRATIVE EXPENSES	8.19	7.79	8.51
SELLING EXPENSES			
Salaries - executive	0.76	1.37	1.26
Salaries and commissions - salesmen	3.53	4.09	1.86
Salaries - sales office clerical	0.57	0.72	0.00
Payroll taxes	0.30	0.18	0.08
Employee benefits	0.21	0.41	0.25
Advertising	0.30	0.13	0.23
Travel and entertainment	0.64	0.86	0.73
Other selling expenses	0.35	0.39	0.17
TOTAL SELLING EXPENSES	6.66	8.15	4.58

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.31%	2.51%	3.38%	2.02%
14.96	15.63	13.79	10.85
2.78	1.38	2.81	1.84
1.36	1.33	0.64	0.61
0.96	1.77	1.28	1.10
0.22	1.55	2.38	2.28
21.59	24.17	24.28	18.70
0.11	0.12	0.28	0.18
2.72	2.06	2.70	2.38
0.00	0.22	0.36	0.41
0.42	0.54	0.19	0.09
0.02	0.18	0.34	0.14
1.71	0.59	1.53	0.31
1.16	1.20	1.32	1.14
0.12	0.14	1.13	0.00
6.26	5.05	7.85	4.65
0.83	1.69	1.80	1.72
1.49	0.93	1.36	1.42
1.14	0.72	1.66	1.47
1.02	0.67	0.76	1.48
4.48	4.01	5.58	6.09
10.74	9.06	13.43	10.74
1.55	2.04	2.15	1.80
1.94	1.36	2.19	1.41
0.17	0.30	0.22	0.19
0.29	0.20	0.41	0.45
0.50	1.20	0.30	0.13
0.21	0.24	0.35	0.37
0.46	1.10	0.29	0.16
0.55	0.08	0.11	0.01
0.19	0.35	0.40	0.65
3.73	1.23	1.67	2.62
9.59	8.10	8.09	7.79
1.08	0.87	1.33	0.42
2.06	1.86	3.37	6.75
0.57	0.30	0.63	0.96
0.13	0.18	0.27	0.33
0.11	0.13	0.43	0.47
0.24	0.06	0.31	0.66
0.51	0.29	0.56	0.06
0.33	0.35	1.42	0.76
5.03	4.04	8.32	10.41

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	5.11%	14.06%	6.19%
Receivables	27.20	23.83	35.02
Inventories	11.96	6.06	9.92
Other current assets	2.85	8.63	4.70
TOTAL CURRENT ASSETS	47.12	52.58	55.83
FIXED ASSETS			
Real estate	8.70	7.38	21.35
Less: Accumulated depreciation	2.40	3.09	3.42
	6.30	4.29	17.93
Machinery and equipment	65.51	49.81	50.75
Less: Accumulated depreciation	25.67	18.95	28.40
	39.84	30.86	22.35
Other fixed assets	4.52	1.90	3.44
Less: Accumulated depreciation	1.55	1.10	1.05
	2.97	0.80	2.39
NET FIXED ASSETS	49.11	35.95	42.67
OTHER ASSETS	3.77	11.47	1.50
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	10.19	3.10	7.71
Accounts payable	14.65	3.47	14.71
Other current liabilities	7.07	7.57	5.97
TOTAL CURRENT LIABILITIES	31.91	14.14	28.39
LONG-TERM LIABILITIES	38.64	29.58	51.39
TOTAL LIABILITIES	70.55	43.72	79.78
SHAREHOLDERS' AND PROPRIETORS' EQUITY	29.45	56.28	20.22
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.48	3.72	1.97
QUICK RATIO	1.10	3.29	1.62
TOTAL LIABILITIES TO EQUITY	2.40	0.78	3.95
LONG-TERM LIABILITIES TO EQUITY	1.31	0.53	2.54
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.39	0.38	0.56

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
0.31%	13.94%	8.09%	22.15%
30.27	31.19	23.62	23.79
11.17	14.25	26.56	16.01
2.50	2.00	1.42	0.76
44.25	61.38	59.69	62.71
15.42	16.60	14.78	16.33
1.13	5.28	4.01	3.62
14.29	11.32	10.77	12.71
44.02	57.61	58.56	43.99
15.05	35.00	37.00	22.78
28.97	22.61	21.56	21.21
3.62	6.40	6.02	10.07
1.69	5.45	3.53	8.30
1.93	0.95	2.49	1.77
45.19	34.88	34.82	35.69
10.56	3.74	5.49	1.60
100.00	100.00	100.00	100.00
13.74	3.93	9.13	10.42
16.44	13.96	10.20	11.87
9.59	12.62	9.18	4.56
39.77	30.51	28.51	26.85
47.17	20.98	17.12	16.29
86.94	51.49	45.63	43.14
13.06	48.51	54.37	56.86
100.00	100.00	100.00	100.00
1.11	2.01	2.09	2.34
0.83	1.54	1.16	1.74
6.66	1.06	0.84	0.76
3.61	0.43	0.31	0.29
0.34	0.61	0.63	0.52

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 54,133	$ 103,409	$ 38,131
Average assets per factory employee (Excluding Executives)	73,832	139,278	54,898
Average net worth per employee - All employees	18,219	54,693	6,668
Average gross plant investment per factory employee (Excluding Executives)	53,813	87,053	37,870
Net worth percentage of fixed assets	73.39%	177.41%	7.70%
EMPLOYEES			
Percent factory - All employees	77.25%	76.45%	76.17%
Percent administrative - All employees	13.38	13.80	14.37
Percent sales - All employees	9.37	9.75	9.46
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 92,888	$ 129,467	$ 67,176
Sales per factory employee	121,749	169,068	88,946
Sales less material per factory employee	66,309	94,432	45,255
Sales per administrative employee	811,779	914,523	531,253
EXCLUDING EXECUTIVES			
Sales per employee - All employees	99,887	139,151	82,235
Sales per factory employee	127,005	174,436	96,634
Sales less material per factory employee	69,446	98,453	48,995
SALES PER SALESMAN	1,102,872	1,144,847	943,631
SALES TO CURRENT ASSETS	432%	311%	423%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	30.91%	31.81%	30.68%
Factory payroll percentage of gross plant investment	48.65	42.56	75.49
Payroll per employee - All employees	$ 26,581	$ 35,048	$ 20,276
Payroll per factory employee	22,864	28,549	18,600
Payroll per administrative employee	33,611	44,752	27,608
Payroll per sales employee	46,799	66,978	23,169
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 20,423	$ 25,384	$ 14,658
Payroll per factory employee	18,730	22,096	14,606
Payroll per administrative employee	17,099	21,556	12,103
Payroll per sales employee	38,164	55,125	11,541
EXECUTIVE PAYROLL			
Payroll per executive - All executives	62,253	80,592	41,037
Payroll per factory executive	48,806	73,066	32,244
Payroll per administrative executive	82,794	106,110	52,979
Payroll per sales executive	63,037	103,929	19,960
RECEIVABLES			
Collection period	54.8	68.6	78.8
PROFIT			
Gross profit percentage of sales	21.35%	30.51%	16.33%
Average gross profit per factory employee	$ 28,266	$ 49,927	$ 15,697
Income before taxes percentage of sales	4.16%	13.00%	2.06%
Average income before taxes per employee	$ 5,232	$ 16,726	$ 1,226

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 55,972	$ 40,872	$ 40,842	$ 57,967
72,339	56,585	67,181	98,732
7,110	19,691	21,226	33,308
45,542	44,258	52,034	66,206
29.25%	137.18%	268.04%	253.48%
80.22%	79.96%	72.51%	64.75%
10.37	11.72	12.77	11.03
9.41	8.32	14.72	24.22
$ 86,351	$ 96,407	$ 80,205	$ 86,740
108,006	121,082	116,154	133,391
58,064	66,775	62,502	74,199
855,755	914,256	1,107,602	783,075
91,300	109,923	92,855	97,447
112,001	133,080	129,980	145,897
60,210	73,519	69,857	81,301
1,353,376	1,951,882	500,442	608,972
353%	388%	384%	273%
29.48%	31.41%	35.27%	31.47%
53.13	75.89	56.76	46.68
$ 25,466	$ 30,252	$ 26,689	$ 26,906
23,308	29,275	24,434	24,937
34,064	31,624	31,837	30,462
43,525	37,976	28,852	29,111
$ 21,603	$ 24,077	$ 20,352	$ 21,270
21,436	24,467	19,054	19,335
19,458	15,704	20,175	17,362
32,212	29,951	22,951	26,125
62,329	42,367	38,933	33,315
38,657	34,202	35,649	31,167
99,105	53,771	43,704	42,187
95,375	71,765	30,807	22,404
75.4	51.2	47.3	61.5
21.42%	21.56%	18.37%	26.69%
$ 23,908	$ 29,187	$ 27,224	$ 38,574
5.03%	7.12%	1.73%	9.83%
$ 4,318	$ 6,884	$ 2,235	$ 8,387

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.69	$12.70	$ 2.05
Receivables	14.62	17.93	20.72
Inventories	6.48	4.71	5.20
Marketable securities	1.26	6.13	1.20
Other current assets	0.94	2.18	0.58
	26.99	43.65	29.75
Plant Investment:			
Land and building	5.12	6.36	11.69
Machinery and equipment	35.75	40.96	26.31
Other fixed assets	2.09	1.52	1.58
	42.96	48.84	39.58
Non-Current Assets	2.42	8.79	0.67
TOTAL INVESTMENT	72.37	101.28	70.00
INVESTMENT TURNOVER PER $100 OF SALES	138.18%	98.74%	142.86%
EARNINGS			
Cost of Product	$78.65	$69.49	$83.67
Selling Expenses	6.66	8.15	4.58
Administrative Expenses	8.19	7.79	8.51
	93.50	85.43	96.76
Income Before Interest, Other Income (Expense), and Taxes	6.50	14.57	3.24
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.98%	14.39%	4.63%

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 0.22	$ 5.89	$ 4.88	$16.22
19.20	13.30	12.70	16.47
7.32	6.04	12.24	11.45
0.00	0.00	0.00	0.00
1.70	0.87	0.70	0.52
28.44	26.10	30.52	44.66
10.37	6.81	8.13	9.42
27.99	24.25	31.38	29.01
2.28	2.81	3.06	6.23
40.64	33.87	42.57	44.66
7.00	1.64	2.55	1.02
76.08	61.61	75.64	90.34
131.44%	162.31%	132.21%	110.69%
$78.58	$78.44	$81.63	$73.31
5.03	4.04	8.32	10.41
9.59	8.10	8.09	7.79
93.20	90.58	98.04	91.51
6.80	9.42	1.96	8.49
8.94%	15.29%	2.59%	9.40%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	41	$ 5,345,000	$ 9,801,000	$ 518,000
TOTAL - PROFIT LEADERS*	6	9,613,000	12,734,000	1,495,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$1,500,000	6	432,000	746,000	(34,000)
$1,500,000-$5,000,000	11	1,475,000	3,376,000	85,000
$5,000,000-$10,000,000	15	4,223,000	7,485,000	404,000
$10,000,000-$20,000,000	4	8,870,000	15,747,000	895,000
Over $20,000,000	5	20,301,000	36,991,000	2,173,000
PROFIT LEADERS				
$5,000,000-$10,000,000	4	4,326,000	7,487,000	814,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	15	6,662,000	10,941,000	747,000
Newspaper	6	1,688,000	3,332,000	63,000
Book	2	5,688,000	8,766,000	436,000
Directory	2	2,845,000	6,815,000	538,000
No Predominant Specialty	14	6,049,000	12,190,000	521,000
PROFIT LEADERS				
Commercial and Advertising	3	15,437,000	18,566,000	2,346,000
No Predominant Specialty	2	3,653,000	5,398,000	527,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.